AT&T 3Q19 Highlights

Following are certain 3Q19 highlights to assist in comparability. The full set of earnings materials with all reported results and non-GAAP reconciliations is posted here, including trend schedules.

Consolidated results	3Q19	
EPS Reported EPS Adjusted	$0.50 $0.94	Includes impact of lower YOY effective tax rate
Revenues	$44.6 billion	Down 2.5%; lower legacy wireline services; comparison to strong 3Q18 Warner Bros. results; lower video revenues and FX impacts
Adj. EBITDA	$15.1 billion	Down 0.9%, including comparability reclass[4]
Free Cash Flow Capex	$ 6.2 billion $ 5.2 billion	$28.8B for TTM; Cap. Investment of $6B *(~$0.8B vendor financing payments)*
Net Debt to Adj. EBITDA	2.66	>$12 billion of de-levering YTD

Revenues *($M)*	**3Q19**	**3Q18**	***% Change***	***$ Change***	**Const. Currency** *(ex. Ven.)**
Mobility[1]	17,701	17,735	*-0.2%*	*(34)*	
Wireless service rev	***13,930***	***13,828***	***0.7%***	***102***	
Entertainment Group	11,197	11,589	*-3.4%*	*(392)*	
Business Wireline[1]	6,503	6,683	*-2.7%*	*(180)*	
WarnerMedia	7,846	8,204	*-4.4%*	*(358)*	*-3.5%*
Latin America	1,730	1,833	*-5.6%*	*(103)*	*+4.0%*
Xandr	504	445	*13.3%*	*59*	
Other[1,2]	(893)	(750)	*NM*	*(143)*	
Total	**44,588**	**45,739**	***-2.5%***	***(1,151)***	***-2.0%***

[1]3Q18 Historical results in the Mobility and Business Wireline business units of the Communications segment have been recast to remove operations in Puerto Rico and the U.S. Virgin Islands, which are now reported in Corporate & Other.

[2]3Q19 is primarily content eliminations ($798) and EG advertising eliminations ($421) offset by Corp/Other revenues (+$407) (see footnote 1).

Adj. EBITDA *($M)*	**3Q19**	**3Q18**	***% Change***	***$ Change***	**Const. Currency** *(ex. Ven.)**
Mobility[1]	7,753	7,631	*1.6%*	*122*	
Entertainment Group	2,400	2,434	*-1.4%*	*(34)*	
Business Wireline[1]	2,481	2,661	*-6.8%*	*(180)*	
WarnerMedia	2,679	2,701	*-0.8%*	*(22)*	*-0.1%*
Latin America	105	87	*20.7%*	*18*	
Xandr	342	336	*1.8%*	*6*	
Other[3,4]	(681)	22	*NM*	*(703)*	
Total	**15,079**	**15,872**	***-5.0%***	***(793)***	
Comparability Reclass[4]	*(108)*	*(772)*		***664***	
Prior Methodology	**14,971**	**15,100**	***-0.9%***	***(129)***	

[3]3Q19 is Corp. EBITDA (-$404) and advertising elims (-$385), offset by purchase accounting reclass of released content amort (+$108)[4]

[4]To compare to the historical method of amortizing Released Content, all pre-acquisition released content amortization is shown in "Comparability Reclass" as a reduction to EBITDA.

Adj. Operating Income *($M)*	**3Q19**	**3Q18**	***% Change***	***$ Change***
Total	9,901	10,035	*-1.3%*	*(134)*
Adj. Operating Income Margin	*22.2%*	*21.9%*		*30 bps*

* *Constant currency growth calculation excludes Venezuela*

Key Statistics	3Q19	
Mobility*		
Service Revenue EBITDA Svc Margin	$13,930 M 55.7%	Up $102M, or 0.7%; up 1.9% YTD 55.2% last year
Total Phone Net Adds Total Smartphone Net Adds *Postpaid Phone Net Adds* *Postpaid Phone Churn* *Postpaid Phone ARPU* Prepaid Net Adds	255k 317k *101k* *0.95%* *$55.89* 227k	101k postpaid, 154k prepaid 173k postpaid, 144k prepaid *vs. 67k last year* *Up 2bps* *Up 0.6%* Including 154k phones, solid Cricket performance
Entertainment Group		
Revenue	$11,197 M	Down 3.4% *(IPBB +3.5%; video -4.2%)*
EBITDA EBITDA Margin	$2,400 M 21.4%	Down $34M, or -1.4%, up 2.3% YTD 21.0% last year (NFLST had same # of games in 3Q18)
Premium Video ARPU IP Broadband ARPU Premium Video Net Adds OTT Video Net Adds AT&T Fiber Net Adds	$121.35 $51.21 (1,163k) (195k) 318k	Up 5.6% Up 2.9% Focus on profitability; impact from content disputes Fewer promotions (119k) Broadband net adds; impacted by video attach rates
WarnerMedia		
Revenue Op. Income	$7,846 M $2,529 M	Down 4.4%, or $358M; Warner Bros. comp in 3Q18 Essentially stable with prior year, with strength in HBO
Balance Sheet		
Net Debt Net Debt to Adj. EBITDA	$159 B 2.66	>$12B de-levering YTD; $21B since merger close Confident in reaching 2.5x range by year-end; share repurchases in the mix Expect ~$14B of asset monetization closed for full year

**3Q18 historical results and volumes have been recast to remove operations in Puerto Rico and the U.S. Virgin Islands.*